

Downtown is
Calling

Good
Times
Await



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Join us for the RDP luncheon at Noon on Tuesday, January 28 at Palenque Kitchen with Alyssa Digangi of Stronghold Engineering presenting on the Farm House Collective and Sandrine Cassidy of Environmental Innovations presenting on the relaunch of the City's Green Business Program.

Call the RDP office at 951-781-7335 for reservations.

There will be no luncheon in February due to the Annual Meeting and Awards Ceremony.



January 2025

RBD Bulletin

Riverside Downtown Business Improvement District

Congratulations to our 2024 Holiday Window Decorating Contest Winners!!

Participants were judged on their use of window space and frontage, use of lights and lighted ornaments, theme and artistic merit, and overall impact including interior.



First Place: The Lobby
Riverside, 3730 Main Street.



Second Place: Riverside
Rustic, 3541 Main Street.



Third Place: Killer Queens
Social House, 3630
University Avenue.

Honorable Mention: Lake Alice Trading Company – 3616 University Avenue, Mission Galleria spaces Only Time and Pat Glaudel – 3700 Main Street, Mrs. Tiggy Winkles – 3675 Main Street, The Menagerie - 3581 University Avenue.

We had a record number of entrants this year - thanks to all for participating!!



Downtown Event News –

2025 Riverside Lunar Festival

The 2025 Riverside Lunar Festival is a celebration of Asian American culture for the city of Riverside and the Inland Empire, and an opportunity to experience the festive atmosphere of the Year of the Snake. The festival will take place on Saturday, January 25 and Sunday, January 26, 2025 from 11 am to 8 pm (7 pm Sunday) on Mission Inn Avenue. Street closures will include Mission Inn Avenue from Orange to Market, Lemon Street from University to Sixth and Orange from Mission Inn to Sixth throughout the event.

There will be unique food vendors offering street foods, fusion bites, and drinks to enjoy while watching cultural performances from Asian communities. Local and regional artisans will be on hand selling traditional and modern goods, plus kids can enjoy their own zone with games and crafts. There will also be interactive workshops and new this year – carnival rides.

The 2025 Riverside Lunar Festival is presented by California Culture Festival with support from the City of Riverside, and others. Admission is free. For more information, visit <https://www.calfestival.com/riversidelunarfestival>

Black History Parade and Expo Returns

One of California's longest running Black History Parades returns for its 45th year on Saturday, February 15th starting at 10 am. The

Annual Riverside Black History Parade and Expo starts at Riverside City College at the corner of Terracina and Magnolia Avenue and ends at the Historic County Court House located on Main Street between 10th and 11th Streets. The Parade features local government officials, churches, bands, sports teams, dance teams and more.

The Expo features vendors offering cultural food, artifacts, clothing, books, information booths, recruitments and an event stage showcasing local entertainment. The event is a celebration of the history and contributions of African Americans and is one for the entire community, bringing inclusiveness within the community by celebrating Black History and attracting thousands of attendees annually.

The Adrian Dell and Carmen Roberts Foundation is a 501(c) 3 not-for-profit organization, consisting of dedicated volunteers focused on the development of events and activities that promote positive family and cultural interaction in a cross section of communities. For more information and how you can support the event, visit www.adcrfoundation.org

Save the Date - RDP Celebrates Downtown Achievements

The Riverside Downtown Partnership (RDP) will host its 37th Annual Meeting and Awards Ceremony on Thursday, February 20, 2025 in the Raincross

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Ballroom of the Riverside Convention Center. This annual event recognizes outstanding individuals and organizations for their excellence in leadership and service to the downtown community.

Award recipients will be UCR Arts for the Arts and Culture Award, the Riverside Arts Council's Artswalk for the Business Activity Award, the Miracles and Dreams Foundation's Backpack Giveaway for the Downtown Event Award, The Mark residential development for the Downtown Improvement Award, and National Night Out for the Safety and Security Award. Rose Mayes will be recognized with the Chair's Award in consideration of her many contributions to Riverside, particularly in the area of civil rights and fair housing. The annual Roy Hord 'Volunteer of the Year' Award will also be awarded.

The RDP Annual Meeting and Awards Ceremony begins with a no-host reception at 5:30 pm, followed by dinner, the awards ceremony, and

then recognition of RDP Board members. Reserve early and save. Tickets purchased prior to January 24, 2025 are \$145 per person or \$1,400 for a table of ten, while January after 24, 2025 tickets are \$155 per person or \$1,500 for a table of ten. The meal will be a plated duo of Beef and Chicken (Vegan option available).

Sponsorship opportunities are available. All proceeds raised are used to offset the costs of the Annual Meeting and Awards. For more information about the event, to make reservations, or to enquire about sponsorships or donations for the opportunity drawing, contact the RDP Office at 951-781-7339.

For more information and to purchase tickets, visit <https://dickensfest.com/2025-riverside-dickens-festival/>



Supervisor's Message – Kevin's Corner

Contributed by Supervisor Kevin Jeffries



Changing Of The Guard – First let me congratulate and welcome my successor, former State Assemblyman and retired teacher Mr. Jose Medina of Riverside. Supervisor-Elect Medina will start his service in January, and is already busy forming his First District team. With roughly 25,000 county employees and 2.5 million residents, Riverside County is the 10th largest county in the nation and the 4th largest in California. We have warned Jose that he will be drinking from a fire hose, so if

you need to connect with him (and it's not urgent) – give him a little time to get settled in. District 1 e-mail (District1@rivco.org) and phone number (951-955-1010) will remain the same.

Before I Leave, I want to thank all of you for allowing me to serve as your representative for these past 12 years. I've (mostly) enjoyed the dozens, and on occasion the hundred or so email replies I have received each month in response to this newsletter. The engagement by and of the public is key to our Republic. I've been keenly aware to NOT become one of those elected officials who starts out with the best intentions of "representing the people to the government" and instead gets seduced by the perks and power of the position and then switches to "representing the government to the people". This elected office has never "belonged" to me – it was only temporarily loaned.

And with that, I must also acknowledge the incredibly hard working staff that has worked tirelessly helping people and thus made me look good (well... as best they could). So my sincere personal thanks to all the current and former First District staff: Jeff Greene, Bob Magee, Kerstin Justus, Robin Reid, Kristen Huyck, Tom Ketcham, Elena Bautista, Araceli Ruiz, Tricia Almiron, Samantha Stillwell, Liz Limon, Hashish Winstead, Lynn Anderson, Damian Fussel, Lorraine Williams & Vanessa Ortega. A shout-out also goes to those who volunteered grueling hours to serve as our First District Planning Commissioner(s); Charissa Leach, Bruce Shaffer, Shade Awad and Mussa Khair.

I must also express my gratitude to my wife Chris, who has put up with me for 42 years, starting when I was a volunteer firefighter and through my various elected positions – all while raising our two children and helping manage our family businesses. Rest assured it was no easy task for her. Again, thank you for the privilege to serve. Stay engaged. Stay informed. Stay vigilant. It's your government!

Respectfully,

Kevin D. Jeffries

First District Supervisor (Retired 12/31/24)

RDP thanks Kevin Jeffries for his service as Supervisor and wishes him the best in the future.

A hearty welcome to Supervisor-elect Jose Medina!



Mayor's Message - Riverside is thriving and business is booming!

Contributed by Mayor Patricia Lock Dawson



Riverside is thriving and business is booming! At the forefront of the clean and green technology revolution, Riverside is no longer just part of the conversation—we are leading it. This success is no accident. Through strategic planning, collaboration, and forward-thinking investments, Riverside is a magnet for groundbreaking companies and transformative opportunities.

In 2021, the California Air Resource Board (CARB) opened its headquarters right here in Riverside. This critical development positioned Riverside as an economic

powerhouse and global leader in the clean and green technology space. With this relocation came the promise of quality jobs and attention from companies eager to connect with the CARB facility. These promises have become a reality; green technology companies continue to make Riverside their home, creating a dynamic and sustainable economic ecosystem.

Beyond CARB, we are supported by our world class educational institutions, such as UC Riverside (UCR), which provides research and workforce to power to our local economy.

One shining example of our ecosystem at work is Ohmio, a cutting-edge green technology company that is relocating its global headquarters to Riverside. Ohmio is the first all-electric

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autonomous shuttle manufactured entirely in the United States. Three shuttles purchased by the city will be operated, staffed, and maintained by Riverside Transit Agency (RTA) during a two-year trial period, representing a multi-sector collaboration that marks a transformational shift in our existing transit system. Be on the lookout for these shuttles and take a ride!

But Ohmio isn't the only exciting company coming to Riverside. We will also be bringing Voltu Motors to the neighborhood. Voltu Motors is a groundbreaking company specializing in the first of its kind electric-powered, medium-duty trucks. Given the that 100% of all new vehicles purchased by state and local government city fleets be zero emission by 2027, our newest business is poised to meet this increasing demand. Voltu has worked for two years establishing relationships with UC Riverside's brightest engineering students and researchers, many of whom are working on cutting-edge projects in areas like battery technology, clean energy, and advanced manufacturing. Already recognized as the "greenest fleet" in the country by NAFA Fleet Management Association, the City of Riverside is taking its sustainability goals even further with the launch of Voltu Motors.

Opportunities for innovation continue. Hyundai Rotem Tech is also set to open a new manufacturing plant right here in Riverside as they focus on producing hydrogen-powered trains, a development that will bridge even more gaps in the Southern California transit system. Stay tuned for more details about this

exciting endeavor as Riverside continues to build a future driven by innovation, collaboration, and progress.

This is just the beginning. Riverside's trajectory is brighter than ever, and the coming year holds even more opportunities for success.

I invite all of you to learn more about these developments and join the conversation at the upcoming State of the City Address on January 30th. This event will provide a look at Riverside's accomplishments, goals, and plans for the future. 



COUNCIL CORNER

Ward One Council Update

Contributed by Councilmember Philip Falcone

Every few months I like to share with you a quarterly update on what is happening in each of Ward 1's four neighborhoods right now. While much more remains to do and the list of items making their way to City Council for approval and/or in the works is lengthy, this update is what is happening now. The list is not exhaustive, rather, a snapshot of a moment in time. Let's jump in!

Downtown

- Exciting new restaurants are both about to open and soon under construction. Three major ones include Dapper Fine Dining, The State — of Redlands and Rancho Cucamonga acclaim — and Fleming's Steakhouse.
- Fairmount Park remains a hub of improvements. Lake dredging is occurring now to reintroduce lake depth and allow for boats on the lake, Carousel Playground received new flooring, the Lawn Bowling Club received a new roof and exterior work, and we are currently accepting proposals from developers for the future of the Armory. As an aside, if you're interested in the history of our armory, checkout my latest article in The Riversider magazine found at the Food Lab, local stores, and coffee shops.

Eastside

- Bordwell Park basketball courts have recently been demolished and reconstructed with new concrete, hoops, and striping. A mural was added to the court — the first of its kind in the city.
- Cesar Chavez Community Center renovation, Eastside Library, and Bordwell Park gymnasium are all in final stages of planning and each should have groundbreaking in the first half of 2025.
- Kudos to RUSD for the early stages of the school on the Eastside. They are actively acquiring and clearing land of years-old blighted buildings on 14th Street between Howard and Lincoln High School. Groundbreaking on the school will be in the coming months.

Northside

- Phase I of the Northside Agriculture Innovation Center officially breaks ground in January near the corner of Clark Street and Chase Road. This phase will include walking trails, community garden, and hundreds of new trees planted. Construction grading is occurring now.
- The long-awaited repaving of the numerous parking lots in Reid Park is complete. New playground flooring and pool heater at Reid Park are also in various stages of completion.
- Widening and repaving of Orange between Strong Street and Oakley Drive is in the final stages, an overhaul of the 60 freeway offramp at Orange was also completed to assist with nearby new developments and traffic flow.



Wood Streets

- Historic clay tile-topped monuments on Oakwood, Linwood, and Bandini were restored. Historic signage matching the signage from 1924 was hand painted and will be installed this month. For the first time in decades these will match the oldest photographs we have of the monuments.
- Repaving and restriping were completed on Panorama in concert with multiple train safety gates and features added, as well as a train "quiet zone" to reduce train horn noise.
- Another round of electrical boxes along Magnolia Ave have been turned into art pieces with paintings paying homage to the namesakes of various streets in the neighborhood. After all the boxes on Magnolia are complete, we will move on to specific locations on Brockton, Olivewood, Palm, and Jurupa.

It is evident we are putting your monies to good use to make our city a better place to live. We will keep it up!

I am on Instagram and Facebook under "Councilmember Philip Falcone." 

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Ward Two Council Update

Contributed by Councilwoman Clarissa Cervantes



Raincross Color Run 2024 Recap:

The Office of Ward 2 in partnership with the Riverside Roadrunners and city of Riverside hosted the inaugural Raincross Color Run at Bordwell Park. We had over 600 community members participate in the run and heard many testimonies that it was a fun event! The first of its kind here in the city, this color run included a 4K run/walk for all ages where every participant received a

white t-shirt to be “decorated” at color stations throughout the course. The event also featured a festival area with holiday themed activities, local food trucks, vendors, and even Santa himself made an appearance! My team and I look forward to this becoming a fun and annual event for Riverside! A special thanks to my Ward 2 team, Melanie Lahay and Bill Kester who helped to make this a successful event.

Artist-In-Residency Pilot Project: The Artist-In-Residency Pilot Project is officially accepting applications! I am incredibly proud to have championed this pilot project that will lead to six paid artists positions and 14 community-led murals across the City of Riverside! As the City of Arts and Innovation and as an artist myself, I believe we need to create viable economic opportunities for artists in Riverside and the Inland Empire. This fulfills our commitment to investing in the arts and creating communities of belonging that tell stories of the people and places that make Riverside so special. The Eastside neighborhood has seen incredible transformations through the Riverside Art Museum’s Artist-In-Residency program which has elevated community pride, beautification, and improved public safety. I look forward to seeing the outcomes of this project which will bring local artists and community-based murals to all seven Wards.

New Businesses in Ward 2: There are a few new businesses that have chosen to make Ward 2 their home! Please help me welcome them and remember to #ShopSmall:



Urban Skillet – A fast casual halal burger spot located at 1223 University Avenue, #150, Riverside, CA, 92507

Biz Café – UCR’s School of Business has a new café located at 900 University Avenue, Riverside, CA, 92521

Muse Market – This shop features locally made artisan-made décor and is located at 5225 Canyon Crest Drive, #23, Riverside, CA 92507

Let’s make sure to stop by and support our new local businesses in the new year!

City Recognized Holiday: City Hall will be closed on Monday, January 20th, in observance of Martin Luther King Jr. Day. City Hall will reopen on Tuesday, January 21st for normal business hours.

If you are interested in learning more about any of the projects or events in Ward 2, please call my office at 951-826-5419 or email me at ccervantes@riversideca.gov.

Wishing you and your loved ones a very Happy New Year in 2025!

Councilmember Clarissa Cervantes



Arts Corner - Riverside Artswalk - Artist Spotlight: Gino Germ

Contributed by Rachael Dzikonski, Executive Director – Riverside Arts Council



Welcome to 2025! It is hard to believe that another year has passed, but with the new year comes new opportunities and we can’t wait to see what the new year delivers. 2025 starts off quickly for Riverside Artswalk, falling on January 2nd and launching us headfirst into celebrating arts and culture in Downtown Riverside. This month we want to highlight one of our incredible artisan vendors who has been dedicated to participating nearly every month this past year. Gino Germ, our

Artist Spotlight of the month, started participating as a vendor around 2014 when the vendors were still set up in Parking Lot 44 on Lemon and University. Over the last year he has been setting up regularly every first Thursday of the month to showcase his artwork.

Gino is a mixed media artist, filmmaker, and photographer who was born and raised in Hacienda Heights. Gino has been creating artwork since his youth and is currently working on a

summer solo show and Volume B of his newest thrill, Gargoyle Magazine. His work ranges from canvases to art installations centering around monsters of horror and creatures from another world. Fashion, movies and music have always been his biggest influence, pushing boundaries in all mediums. He is also inspired by 80’s B horror movies, food, swap meet toys and wacky people. Gino creates artwork to fulfill a creative itch and finds it satisfies the need. He tries to complete an artwork in one day because he tends to lose interest if a piece has not been completed after 3 days. Gino has shown his work at Designer Con, Los Angeles Comic Con, Wondercon, several local markets in the San Gabriel Valley, and has recently been coordinating events with friends at Coyote Studios. Gino enjoys the Riverside Artswalk event because it offers an opportunity to meet new people with similar interests.

When you find yourself at Riverside Artswalk, make sure to stop by and check out the artwork of Gino Germ who can normally be found on Main Street between University and 9th Street!

For more information about Gino and his artwork, visit @ufo138 or his website www.oozebarf.com. For more information on Riverside Artswalk visit www.riversideartswalk.com or @riversideartswalk on IG



BUSINESS BUZZ

GDPR: Email Marketing in the Age of Digital Privacy

By Adam Uzialko

Email marketing is becoming more complicated in the age of digital privacy laws like the GDPR and the CCPA. Here's what you can and can't do in your email marketing campaigns.

How does email marketing software help you stay GDPR - compliant?

Welcome to the age of data privacy, in which governments around the world are adopting legislation that limits how companies can collect and use the data generated by individuals. These laws have sweeping effects on virtually every aspect of how businesses engage potential customers in the digital world, including practices such as email marketing. In particular, the General Data Protection Regulation (GDPR) is considered the world's strongest data privacy and security law.

If you're thinking about launching an email marketing campaign, you need to be aware of data privacy laws that apply to your business. Failure to comply with these laws could result in significant financial penalties and damage your brand reputation.

What is a data privacy law?

Data privacy laws are regulations geared toward protecting individual users' rights to a certain standard of data privacy and security. They typically include rules about how companies can collect and use individuals' data and how companies must inform users about that collection and use. Data privacy laws are often vast and expansive, governing virtually every aspect of how a business engages with consumers digitally, including via email marketing.

Some of the most publicized data privacy laws are the European Union's GDPR, which set the tone worldwide for a move toward stringent data privacy laws, and the California Consumer Privacy Act (CCPA), which was the first data privacy legislation passed in the U.S.

Understanding these laws — for both compliance today and for data privacy trends in the future — is essential for any business engaged in digital marketing or data collection of any kind.

What is GDPR?

The GDPR is the European Union's overarching legislation on data privacy, which unified the baseline requirements among the 27 member nations. The GDPR applies to businesses that collect and use data on any EU-based user, regardless of where that business is headquartered or operating. That means U.S. businesses that collect data on European users are also subject to the requirements.

In regard to email marketing, the GDPR requires that businesses obtain the consent of anyone prior to contacting them via email. This is known as the opt-in provision for opt-in email marketing. Before you contact anyone via email, be sure you have their explicit consent.

Additionally, the GDPR requires that companies demonstrate how consent was obtained and whether any consenting users have since opted out or unsubscribed from newsletters (or other email marketing communications). Also, companies must be willing to delete the personal information of a user upon request and refrain from collecting unnecessary data.

The cost of GDPR violations

GDPR violations carry steep penalties. Under the law, a company that violates the data privacy requirements could be subject to fines of up to 10 million euros (about \$10.5 million) or 2 percent of the company's annual revenue — whichever is greater. For many small businesses, fines of this magnitude could be fatal. However, in many GDPR violations thus far, the EU data protection authorities have declined to impose the maximum penalties permitted under the law.

Still, the threat of massive fines and lawsuits should make companies cautious about collecting user data.

What is CCPA?

The California Consumer Privacy Act (CCPA) is California's data privacy law. It was modeled largely after the GDPR, but it has some key differences. For email marketing purposes, however, the rules of the law are generally the same.

Much like under the GDPR, a user's email address is considered personal information (or personal data) under CCPA regulations. That means users must consent to the communication, as well as be able to opt out at any time. Additionally, data regarding the open rate and click-through rate (CTR in email marketing) of each user is considered personal information. If a user requests that their data be removed, you must not only delete their email address from your list but also remove any data gleaned from their engagement with your email marketing campaign.

The good news for email marketers is that compliance with the CCPA is more or less the same as the GDPR when it comes to email marketing. Other elements of the law are different, though, so if your business is engaged in other data-collection activities, review both laws with legal counsel to determine whether you are in full compliance, because both laws might apply to your business at the same time.

The cost of CCPA violations

Civil penalties for violations of the CCPA can range from \$2,500 per unintentional violation to \$7,500 per intentional violation. Businesses generally have 30 days to reverse any violations and solve the problem to avoid liability.

Although these fines are not as steep as the maximum penalties permitted under the GDPR, it is best to avoid them, as they stack up per violation. That means that, if you repeatedly violate the consent requirement for thousands of email addresses in your email marketing campaign, you could be on the hook for a significant sum.

How does email marketing software help you stay GDPR-compliant?

Although it is possible to keep your entire email marketing program in-house, using an email marketing platform makes it easier to comply with the GDPR because the platforms have these regulations built into their programming.

Data permission

The GDPR requires companies to obtain permission from people who opt in for the specific type of communication they will be receiving. In other words, if someone gives you their email address, you can't assume that they are OK with receiving marketing emails from you; they need to specifically give you permission to send those types of emails.

Email marketing platforms include opt-in forms that allow people to proactively check a box that gives permission for you to send certain kinds of information, such as news, events and offers. For example, when setting up Constant Contact forms within WordPress, you can enable email opt-in, thereby letting subscribers know exactly what they will receive from you if they give you permission.

Boxes to receive information cannot be prechecked; the subscriber needs to check the box themselves for the permission to be valid.

In addition, email marketing platforms make it easy for you to set up a double opt-in process. This can be helpful if you have a list that may not have given you permission to send certain types of content. In essence, the subscriber gets a confirmation email detailing the type of content you would like to send them, along with a link to opt in to receive it.

The GDPR also requires companies to document the consent of your contacts, including who, when and how they consented, as well as what they were told about giving their consent. This data is automatically stored in each contact record within the platform.

Data access and unsubscribe rights

The GDPR gives EU citizens the right to be forgotten. If an EU citizen wants a company to access, delete or change their personal data, the company must comply. Email platforms include an unsubscribe link in their email templates and can also include a link to each subscriber's customer profile with the option to manage email preferences.

Email platform opt-in forms also automatically inform people that they can unsubscribe at any time, and email footers provide them a link to do so. People who unsubscribe are added to an unsubscribe list in your account so they are not accidentally emailed again.

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Data security

Another GDPR requirement is to take “reasonable and appropriate measures” to keep subscribers’ data safe.

Major email platforms have data security measures in place to protect subscribers’ data, including the following:

- Physically controlling access to the servers
- Providing network security
- Requiring strong passwords
- Limiting access to administrative accounts
- Having a cybersecurity incident response plan, starting with a cybersecurity risk assessment
- Clearing employment with criminal and reference background checks

- Using security patches
- Installing virus scanning software
- Updating measures against malware daily
- Continuously monitoring systems for intrusions

Overall, email marketing is one of the simpler aspects of complying with the complex and wide-ranging data privacy legislation emerging around the world. However, it is important to do your due diligence to avoid unnecessary fines and damage to your brand. After all, even once the fine is paid, your customers might remember that you handled their personal data poorly. The true cost of data privacy violations is often far higher than just the fines incurred.

Source: <https://www.business.com/articles/email-marketing-and-data-privacy-laws/>



7 Accounting Mistakes That Cost Small Businesses Significant Growth

by Jamie Kohnson

Learn the seven biggest accounting mistakes to avoid if you're managing your small business finances on your own.

When you're growing your business, few tasks matter as much as tracking your company's finances. In the beginning, many small business owners try to manage their books independently instead of using an in-house accountant or bookkeeper.

For many business owners, going it alone leads to easily avoidable mistakes. Here are some of the biggest accounting mistakes that can derail small businesses, along with some tips for avoiding them.

1. Failing to hire an experienced finance professional

Even experienced accountants and bookkeepers make mistakes — but they're finance professionals, and you probably aren't. Even if you are, is it really worth the extra time investment to manage your business's books on your own? Hiring a professional minimizes the potential for errors in areas such as tracking expenses, paying vendors promptly, balancing bank accounts and running payroll.

Are you confident you're handling employees' tax withholdings properly? Are you tracking all financial transactions, regardless of size? Just a few mistakes in these areas can cost you more than you're saving by not hiring help. Here are a few options for obtaining professional financial assistance:

- **Bookkeepers:** Consider hiring a bookkeeper who's licensed by the National Association of Certified Public Bookkeepers. They mainly record your business's financial transactions via high-quality accounting software.
- **Certified public accountants (CPAs):** Consider hiring a CPA to assist with tax planning and help you spot trends — and avoid mistakes — as you manage your books. To verify that a potential hire is a CPA, check their license in the AICPA database.
- **Freelance financial professionals:** If you can't afford a full-time, in-house financial professional, consider hiring a freelance bookkeeper or accountant who works remotely. This route is relatively easy, thanks to the wide selection of sites that match employers with professional freelancers.

To hire the right accountant for your business, look for financial professionals who follow a fiduciary standard and are required to put their client's best interests above their own.

2. Not tracking business costs accurately

If you're not keeping accurate records, your accounting and bookkeeping become much less effective. When that happens, you leave your business vulnerable to losing money and being late on crucial bills. This situation sets you up for major headaches come tax season and more problems that can get in the way of a growing business.

It's not just errors you make while entering transaction data into a spreadsheet or failing to note that you paid a bill. Inaccurate financial tracking ultimately costs your business money and undermines your ability to plan for the next month or beyond.

It's essential for your accounting system — whether it's just you and a spreadsheet or a bookkeeper — to track every transaction so you can accurately gauge your business's financial health.

While it's useful to have a financial professional handle your books, an integrated accounting system can help you or your bookkeeper do their job better. Accounting software tracks all of your financial transactions. It records every time you pay bills, deposit or withdraw money, or send an invoice.

3. Mixing personal finances with business accounts

Small business owners often blur the line between personal and business finances. It's understandable, especially when a business is just beginning to find its footing. You go to Costco or Walmart to pick up some office supplies and, because you're already there, get a few items for your home.

But it goes beyond combining business and personal items on a single receipt. Many small business owners don't have a separate business bank account. Using one account for personal and business purposes can cause the following problems:

- Difficulty sorting personal and business transactions
- Significant issues when filing taxes
- Missed tax deductions
- Problems when you apply for a business loan or line of credit

If you've been using your business and personal bank accounts interchangeably, break that habit. Open a separate business bank account. You'll likely get some incentives to do so from the bank where you have your personal account. If you're shopping and in a bind, always separate business and personal purchases so you can set aside business receipts.

Tip

If you're using a personal credit card for business purchases, apply for a business credit card instead. Major banks have cards that cater to small business owners and offer cash-back bonuses on purchases.

4. Inefficiently managing billing

Cash flow is essential to keeping a business operating from one day to the next. Billing or invoicing customers efficiently ensures you have money to pay for expenses, payroll and other needs.

Businesses that don't manage their accounting well can suffer from cash flow problems. Invoicing can be delayed, and customers may take longer to pay, leaving the business struggling to cover its bills.

Being late on your bills isn't the only ramification of inefficient bill management. According to Statista, 91 percent of failed startups cited running out of money or lacking financing as the reason they went out of business.

Because the stakes are so high, improve your billing management by invoicing customers immediately after you've fulfilled your end

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of the transaction. Accounting and invoicing software can help you create a more seamless process for collecting unpaid invoices.

5. Not properly planning for tax season

Do-it-yourself tax software can be an attractive solution for small businesses that are looking to save money on an accountant. But while doing your own taxes may be OK for individuals with a simple tax return, it's not a good idea for small business owners. Business and payroll tax issues can be complex, and incorrect filings can be costly.

Ensure your business uses an accounting system that seamlessly tracks company expenses, payroll, and other fundamental components of its profit and loss statement to minimize tax errors and oversights.

Work with a tax consultant or another qualified tax professional to help you spot potential savings and areas where your business can improve its tax situation.

6. Failing to classify employees properly

Most small businesses rely on employees or hire freelancers to conduct essential work. Classifying these individuals correctly is crucial because you could face lawsuits and tax penalties if you do it wrong.

If a small business owner misclassifies an employee, federal and state governments miss out on payroll taxes. According to the U.S. Department of Labor, the penalties for this mistake could be substantial:

- Business owners may be responsible for payroll, Social Security, unemployment and Medicare taxes for misclassified employees.
- The business can also be penalized and sued if employees aren't reimbursed and provided benefits under the Fair Labor Standards Act.

To avoid misclassifying employees, you must determine if they are employees or contractors based on the jobs they perform, how they are paid and their relationship with your company.

If the individual works eight hours a day, five days a week; is paid a salary; and receives health benefits, they are a full-time employee. If the person works and gets paid per project and isn't provided any benefits, they should probably be classified as a contractor.

Once you've made that determination, ensure the worker completes the correct payroll form for their classification. A contractor completes a W-9 form, while a full-time employee fills out a W-4 form.

If you make a mistake but can prove to the IRS that you have a "reasonable basis claim," you can get relief. You need to prove one of the following to be eligible:

- You reasonably relied on a tax-related court case or ruling by the IRS to make your classification determination.
- Your business was audited by the IRS when the employees in question were treated similarly to independent contractors, and the IRS didn't reclassify the workers.
- You treated your workers as independent contractors because the rest of the industry does so, and you can prove that.
- You relied on the advice of a lawyer or accountant who knows about your business.

7. Going paperless without a backup

The last thing a small business owner wants to experience is a tax audit. But if you must, the more paperwork you have, the better.

In this digital age where everything lives in the cloud or on an app, it's understandable that people don't save their paperwork for a few weeks, let alone seven years. However, the IRS will want specific records during an audit.

A good rule of thumb is to save the following documents for at least seven years:

- Business tax returns
- Payroll tax records
- Current employee information
- Business ownership records
- Accountant records
- Records from operations

The biggest accounting errors small businesses make

What may seem like a minor accounting error can have significant consequences for your business's finances. Consider the following common accounting errors you should avoid at all costs:

- **Overstating cash flow:** Adequate cash flow is a crucial aspect of running a successful business. Unfortunately, many businesses overestimate their cash on hand. Overstating your cash flow can make it hard to manage operations, pay your employees and vendors, and fund important business purchases.
- **Tracking income incorrectly:** If you don't have accurate records of your business's revenue, you could end up overreporting or underreporting your income. This can have tax consequences down the road.
- **Tracking expenses incorrectly:** Another common mistake businesses make is failing to track business expenses comprehensively. This mistake will increase your taxable income and cause you to pay more in taxes at the end of the year.
- **Forgetting to pay invoices:** When vendors send invoices for services rendered, they likely have a due date within 30 to 60 days. If you don't stay on top of your accounts payable process, it's easy to overlook due dates and pay your invoices late. This can lead to late fees and damage your vendor relationships.
- **Missing the signs of fraud:** Some business owners want to handle all accounting tasks personally, while others make the mistake of outsourcing everything. You should never put yourself in a position where you don't know what's happening with your business finances. Failing to track your finances could cause you to miss the signs of fraud.

Best accounting software for accounting accuracy

If you struggle to manage your company's finances, accounting software can help. The best accounting and invoicing software can track the money flowing into and out of your business and streamline tasks such as sending and following up on invoices. Consider the following excellent options:

- **QuickBooks Online:** QuickBooks Online is a solid choice for businesses thanks to its wide range of features and user-friendly interface. The software can reconcile bank transactions, send invoices and pay vendors.
- **FreshBooks:** Thanks to its robust invoicing features, FreshBooks is popular with small businesses and freelancers. You can use it to send branded invoices, set up recurring billing for retainer clients, and automate late-payment reminders.
- **Xero:** Xero doesn't charge extra to add users, making it one of the most affordable accounting software options around. Xero helps you track your income and expenses, invoice clients, and set up automated billing.
- **Oracle NetSuite:** Oracle NetSuite is a great option for businesses that need a comprehensive and customizable accounting solution.

<https://www.business.com/articles/small-business-accounting-mistakes/>



Enclosed with our compliments:

Updated 2025 What's Up with RDP calendar

2025 RDP Pocket Calendar

RDP Welcomes New Businesses to Downtown

Basseliz Law Group APC

MLMZG 14, LP (Property rental)

Personable Pediatrics



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